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Ukraine

Food Service - Hotel Restaurant Institutional

Annual Report

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Report Highlights:

The HRI sector in Ukraine is now slowly recovering after a downturn experienced in 2008/09. The majority of Ukrainian restaurants and cafeterias survived turbulent times by paying greater attention to establishment positioning in the market and business efficiency. Only recently major international hotel chains, including U.S. chains, started expansion into Ukraine.

U.S. processed food products have a minor role in the Ukrainian HRI market due to general low market presence and consumers' lack of awareness and habits. A limited assortment of high value added U.S. products can be found in upper scale restaurants and hotels.

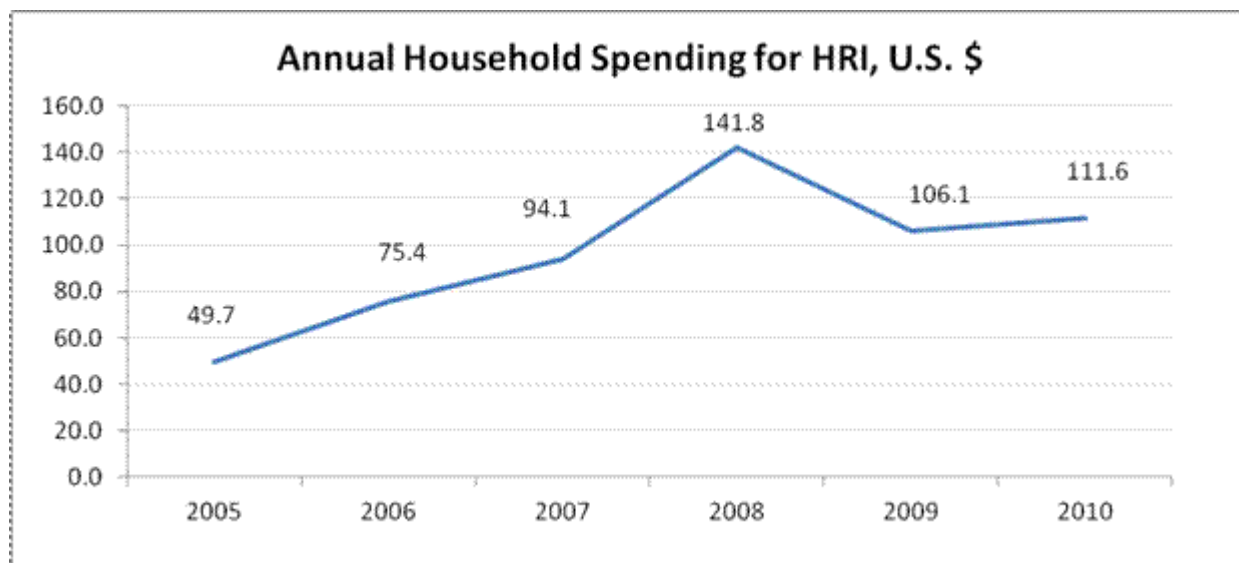
Post:

Kiev

SECTION I. MARKET SUMMARY

The number of hotels and restaurants in Ukraine grew quickly before the 2008 crisis, reaching 5,866 by the end of 2008, but the financial crisis significantly undermined HRI sector development leading to lower revenues and bankruptcies of some establishments. The industry is back to growth in 2010-11, but the growth rate is much slower. The crisis changed short run market behavior but did not change the overall market trend which is influenced by long-term factors. A rapid increase in income growth over the past years has allowed more lower to middle class consumers to eat out. This trend is the driving force behind the expansion of the foodservice industry. The Ukrainian food service sector continues to be dominated by individual (stand alone) cafés, bars and restaurants, although development of national pizza chains, and national and multinational fast food and coffee shop chains are expected to reshape the market in the next three to five years. A small, but quickly developing and lucrative market segment represented by discos, nightclubs, karaoke bars, bowling alleys, and children's entertainment centers provided another outlet for imported food products. The hotel network in Ukraine is underdeveloped despite significant investments made in recent years, both by national and foreign investors. International brands have very little representation in the country. Demand for food in schools, hospitals, corporate cafeterias and fast food restaurants is price driven and provide little sales potential for imported products.

The economic hardships of the 1990's and the legacy caused by the deficiencies of the Soviet public foodservice system meant that consumers did not eat out. The economic recovery that began in 1999 resulted in an increase in disposable incomes and the creation of a middle class who had pent up demand for dining out. Also, low incomes resulted in the significant growth of cheap fast food restaurants, coffee shops and pizzerias (currently the fastest growing sector) with full-service restaurants, clubs, ethnic cuisine restaurants and bars taking the lead. Ukrainian consumers are very perceptive to western lifestyle and began socializing in cafés and restaurants. This trend quickly became part of the normal business and leisure cultures. For these reasons, Ukrainian customers rarely take food home and prefer to enjoy a meal out on the town. The younger generation (35 and younger) has become the major driving force behind the growth of the HRI sector. Ukrainians will continue to spend more on eating out.



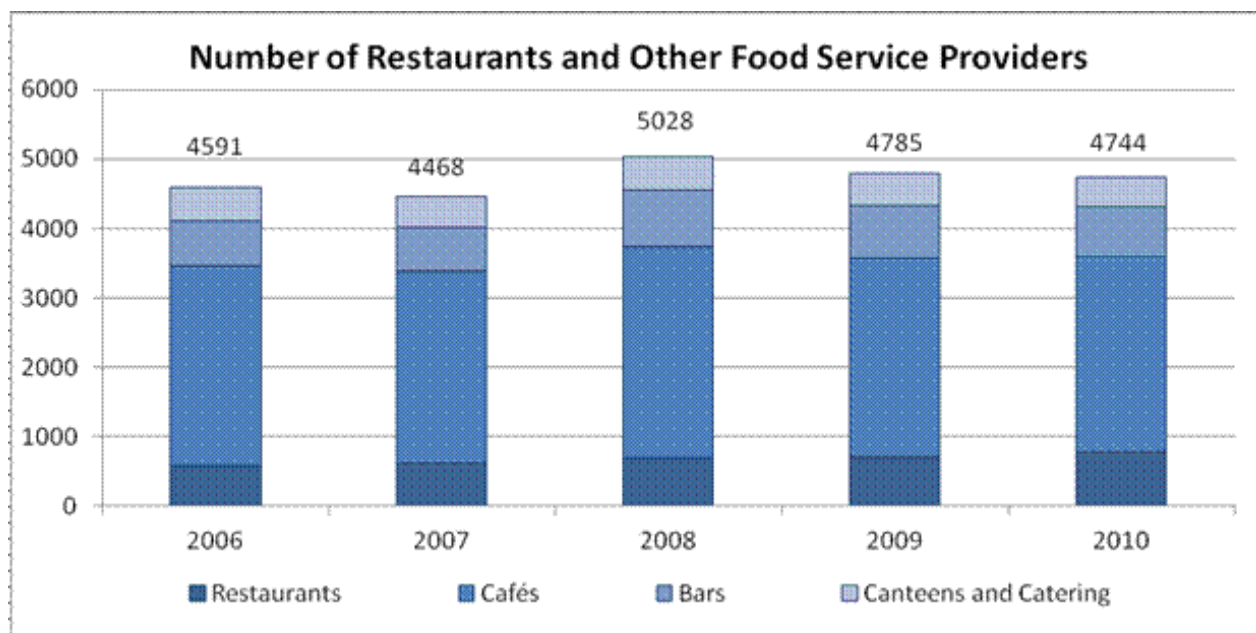
**Source: Households Spending Survey 2005-2010, State Statistics Committee of Ukraine
(Note: Spending includes tipping, purchasing food for home delivery/consumption, eating in theatres, stadium etc. as well as vending machines). The typical household includes 2.6 people*

Industry experts are predicting 15 percent annual growth in 2011-2012. The expansion in the HRI sector will continue to be concentrated in cities and larger towns, where per capita incomes are higher, life more hectic,

time viewed as valuable, and more consumers are willing to eat out.

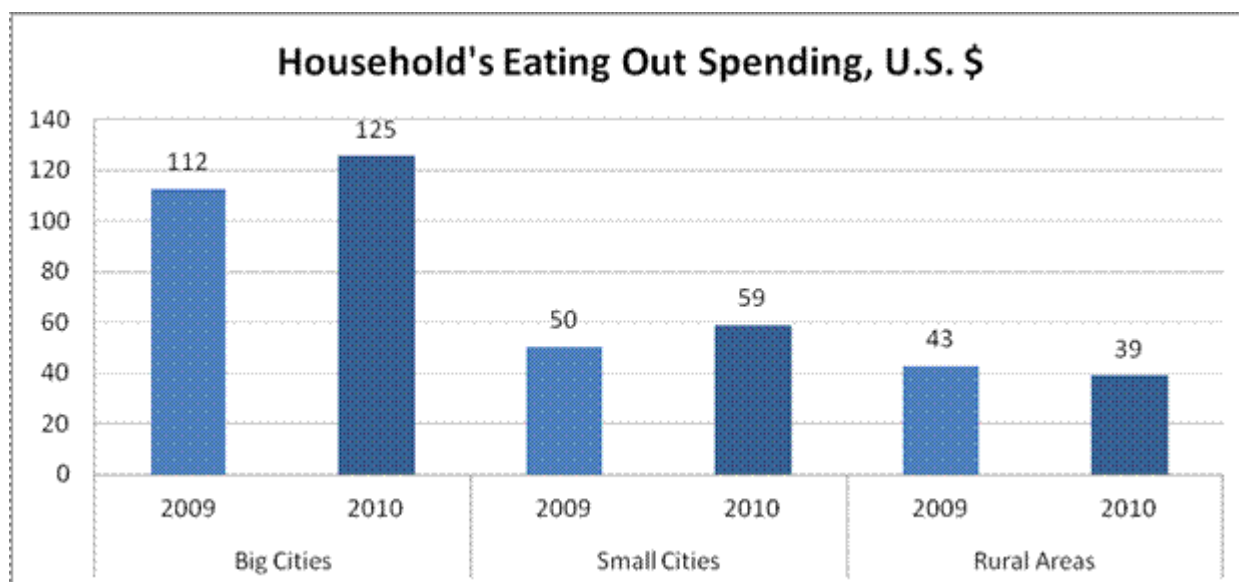
Restaurants and Institutional

Restaurants are defined as the following food service providers: full service (upscale) restaurants, fast-food restaurants, cafés (coffee shops), pizzerias, bars, clubs, discos, karaoke bars, etc. For institutional food service providers, the following are included: schools, hospitals and enterprise/factory canteens and cafeterias. The following graph provides the breakdown in spending for all these establishments.



Source: State Statistics Committee of Ukraine

When data from the 2010 Household Consumption Survey is compared to previous surveys, the trend is clear: Ukraine's population is spending more on hotels, restaurant and cafeteria (HoReCa) establishments. The share of factory canteens and cafeterias is on the decline (a six percent decrease over the past three years) while the share of independent cafeterias and restaurants continues to increase (five percent and two percent, respectively, over the past three years). This reflects income growth for mid-class consumers and a gradual shift from low-cost, low-quality foodservice providers to higher quality ones.



**Source: Households Spending Survey 2010, State Statistics Committee of Ukraine*

(Note: Spending includes tipping, purchasing food for home delivery/consumption, eating in theatres, stadium etc. as well as vending machines.)

Currently, independent establishments dominate the Ukrainian foodservice market with the exception of fast food restaurants, pizzerias and coffee shops. The overall presence of international food chains remains very limited (including McDonalds fast food, and Nestlé and Jacobs cafés). There is evidence in the Ukrainian press that Burger King and KFC are considering market entry in 2012/13. The Ukrainian fast food sector and pizza chains are developing quickly (for both corporate and franchised establishments). Chelentano Pizza (the owners also control Kartopliana Hata, Café Punkt and Yuppie networks) is leading the pack with 130 franchise pizzerias all over the Ukraine. There are many newly introduced networks at different stages of development (franchising) which are slowly moving into the middle-class and even into the high-end restaurant segment (especially ethnic or specialized food establishments). The cheaper street hot-dog stalls and kiosks are slowly being removed from larger cities and moving to provincial towns with less prosperous and less demanding consumers.

Many Ukrainian fast food restaurants and chains avoid associating with “fast food,” preferring to be called “fast service restaurants.” This is a result of the negative perception that fast food chains have in the Ukrainian society. In public statements, managers underline their devotion to freshly procured products and a rejection of semi-processed food ingredients and fried food. Potential U.S. suppliers should be aware of this recent trend for healthier fast foods.

The high-end foodservice segment is represented by full-service independent restaurants and two large restaurant groups: The Royal Card and The World Map. These groups are independent businesses, but use single food procurement and distribution center, as well as common discount programs. Many of the independent full-service restaurants began operations in the mid-1990's, targeting the affluent business clientele who could spend in excess of \$100 per person per meal. The emerging middle class is still not too numerous, so growth in high-end restaurant segment is insignificant when compared to fast-food establishments.



Source: State Statistics Committee of Ukraine

The presence of specialized coffee shops is also expanding quickly. Just a couple of years ago, the Ukrainian market boasted only a few high-end establishments that had opened in the mid 1990's. Currently, lower-end coffee shops dominate the market. International names such as Nestle (Nestle Ukraine S.A.) and Jacobs (Craft Foods franchising), and Ukrainian and Former Soviet Union based chains such as Double Coffee and Coffee House lead the group. More newcomers are continuing to open small outlets all over the country offering coffee, pastries and soft drinks. These establishments target students, small business employees and younger office workers. Some have copied elements from Starbucks, but others have developed their own style and menus (e.g.: Coffee House Ltd.). The market remains highly fragmented, but very vibrant and expanding quickly.

Relatively new to Ukraine, pubs, bars, nightclubs, discos, karaoke bars and other similar establishments usually serve more alcoholic drinks than food (although some clubs have in-house high-end restaurants). The sector has very limited access to U.S. food suppliers (as well as the majority of other foodservice sectors) due to very high fragmentation.

Schools, hospitals, state penitentiaries and other government institutions have their own procurement guidelines for food products. In the vast majority of cases, these organizations are under-funded and cannot be considered reliable partners. Concomitantly, the old Soviet procurement system is slowly being replaced with a more transparent system. State institutions announce open tenders for procurement of food products on their official web sites and publish them in the printed mass media. U.S. companies can compete for those orders, although quite often they are small, very product specific (certain fresh vegetables or canned meat that conforms to GOSTs and DSTUs (State Standards) and include only basic bulk products that are designed for local agricultural producers and farmers.

The general outlook for the restaurant and institutional sectors is good with positive growth projected for the next five years. Continued income growth will continue to drive expansion of the sector, especially outside of urbanized areas. The state institutional sector will eventually become a significant consumer as budget constraints relax and procurement transparency increases. So far, U.S. suppliers may only directly approach established restaurant chains (both fast food and high end) that use common distribution centers for ingredients procurement. For the remaining portion of the industry, contact through importers is advised.

Income and overall economic growth are the determining factors behind the development of the foodservice sector (please refer to Table 1 in the Attachment). Income growth exceeds GDP growth (please refer to Table 1 in the Attachment) and almost tripled between 2000 and 2005. Experts predict that the foodservice sector

growth rate will mirror the increase in incomes, which is growing between 10 to 15 percent per year. Future growth is expected in smaller towns where people are able to afford eating out.

Ukraine's Income Growth (\$ million)

	2002	2003	2004	2005	2006	2007	2008	2009
Total Income	36648	42707	54305	74493	93477	123424	160768	114799
including:								
wages	15634	18734	23213	31371	40618	55241	69655	46893
Profit and mixed incomes	6642	7194	8679	11407	13700	18852	24931	16657
Property incomes (received)	1049	1328	1651	2163	2744	3976	5405	4449
social assistance and other transfers	13324	15451	20762	29552	36416	45354	60776	46800
including:	0	0	0	0	0	0	0	0
- Social assistance	6258	6994	10304	16527	20414	24648	34307	26200
- Other current transfers	1318	1640	2277	2450	2873	3606	4960	4234
- Social transfers in kind	5748	6818	8181	10575	13128	17101	21509	16365

Source: State Statistics Committee of Ukraine

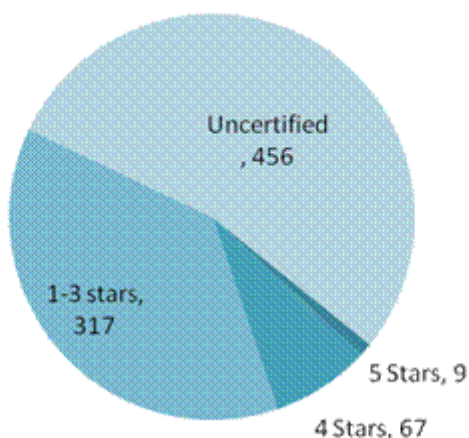
Hotels and Resorts

The hotel and resort sectors are the least developed in Ukraine. Non-transparent legislation including fuzzy property rights and distribution of land plots for construction, a lengthy return on investment, and high risk has hindered investment from flowing into this sector. Thus far there are only four 5-star hotels in Ukraine, with a fifth under accreditation. The vast majority of 3-star to "no category" hotels are old soviet hotels with poor service standards and pricing policies. Hotels are used mostly by businessmen and rarely by tourists. Ukrainians prefer to stay in private apartments while vacationing (see spending structure by hotel type below). Conditions in private apartments are often better than in nearby "no category" hotels. These cheap private apartments are especially popular among vacationers traveling to sea resorts in Crimea and Southern Ukraine as well as skiers going to the Carpathian mountains. The lack of reasonably priced hotels in Kyiv has resulted in the formation of an entirely new category of hotel, or apartments for rent. Clients may rent a completely renovated 2-bedroom apartment in the center of Kyiv for \$100 a night, while few overbooked 4-star and 5-star hotels offer a regular-size room for \$170 to \$376.

Large western hotel chains find penetration in the Ukraine market difficult. Only Swedish Radisson-SAS has opened a single 4-star hotel in Kyiv and announced a plan to build one more hotel in the near future. Hilton Hotels is developing a hotel in the center of Kyiv as well as Hyatt Regency. The Hyatt is expected to open its doors by the end of 2007. Access to these hotels can be obtained through their international offices, but sale of food products will not be substantial.

Number of Certified Hotels

(as of December 2011)



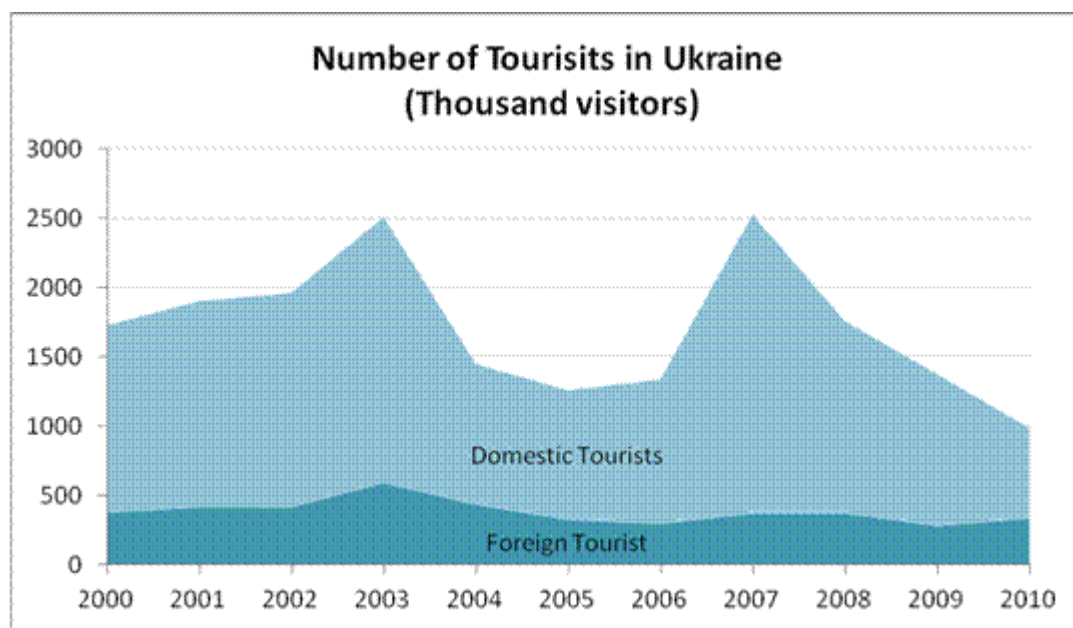
Source: State Service for Tourism and Resorts

According to older official statistics, Ukraine has over 4,500 hotels and resorts with a total capacity of 620,000 visitors. It is unclear how many of these are still operational. The 2010 data show only 1,731 hotels, but with a total capacity of only 79,833 visitors.

The number of visitors to the country continues to increase. The increase in tourists from the European Union is expanding the most rapidly (mainly from Poland and Hungary), but they rarely visit other regions other than Kyiv, Crimea and Western Ukraine. An inflow of tourists is expected during the EURO-2012 soccer championship. It is expected that tourists will visit mostly championship host cities (Kyiv, Donetsk, Lviv and Kharkiv) with little or no attention to the rest of the country.

In a long run the vast majority of visitors continue to be from Russia and Former Soviet Union (FSU) countries. Given relatively low per capita incomes in these countries, spending for lower cost accommodation will continue.

These tourists travel to Ukraine "as cheaply as possible" and generally are interested in leisure vacations by the Black Sea or around the Carpathian mountains. In order to cut costs they often stay in private rooms or apartments rented out by the locals. This custom is changing slowly and the share of hotels and guesthouses is growing as incomes in FSU countries grow. However, wealthier Russians have changed their vacation destinations from Ukraine to Turkey, Croatia or Bulgaria to take advantage of the more developed hospitality industry.



Source: State Statistics Committee of Ukraine

Advantages and Problems for U.S. Exporters

Advantages	Problems
Population of 45.8 million. A growing number of consumers who can afford to purchase high-quality food products	Despite general income growth, majority of consumers continue to save money on food or rely on home produced food products
Demand for higher quality food products is growing especially in high-end establishments	Many customers have a prejudice against imported food products due to the boom of low-quality food product imports in the early 1990's.
Ukraine's HRI sector is expanding, which creates a number of opportunities to perspective U.S. exporters.	Frequently changing trade legislation and policies often impact trade. Import tariffs remain very high.
Changes in urban life-styles has increase demand for eating out	Rapid development of local manufacturers producing ready-to-cook products creates competition for similar imported goods
American-made food and drinks are still new for the majority of the population, but rather popular among the younger generation;	Growing number of domestically produced generic products; lack of knowledge towards American products
In general restaurant owners are opened to new products in order to attract customers	Strong competition with suppliers of similar products from Russia and European Union
Existence of large importers experienced in importing food products to Ukraine	Difficulties in finding a reliable partner or distributor

SECTION II. ROADMAP FOR MARKET ENTRY

A. Entry Strategy

Every company must choose its own market-entry strategy that is dependent on preliminary market research results and the type of product to be promoted. The strategy is also dependant on the company's financial strength. Access to the entire HRI sector can be obtained by working through food ingredients importers,

since very few chains have their own procurement centers.

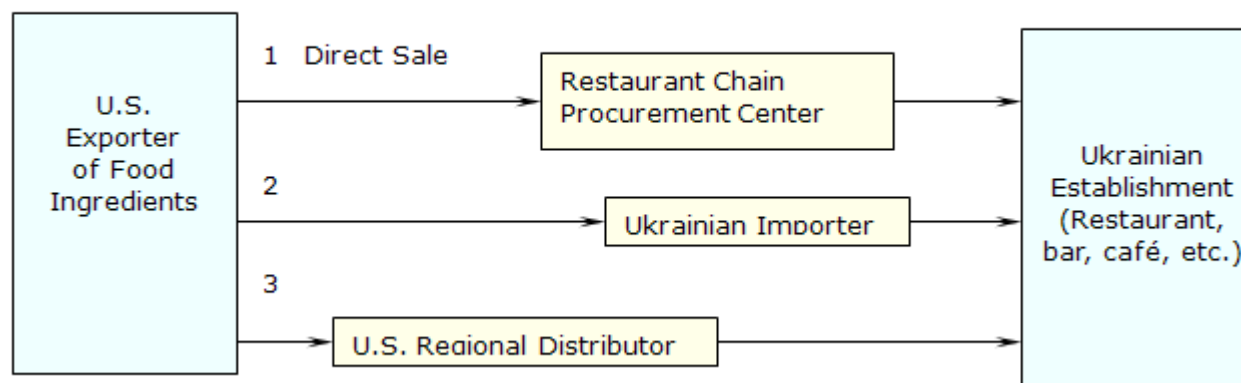
- A perspective entrant is advised to analyze market competitiveness for a specific product with respect to local preferences, restaurant chain menus, local competition and sales channels (marketing research from a specialized consulting firm may be required).
- A visit to a restaurant or food exhibition in Ukraine may be very useful. These events (although many of them are dedicated to HoReCa equipment) can provide a market snapshot, as well as to identify perspective importers and wholesale vendors. Usually only large companies participate in these exhibitions.
- It's advised to meet with representatives from state regulatory bodies in order to obtain additional information on import requirements. Companies are advised to use services provided by their embassies, consultants and foreign partners already doing business in Ukraine.
- In order to make the first delivery, usually a large local import company or chain is chosen. The company has to have a good reputation and experience in customs clearance, and must have storage facilities and a developed distribution network. The company should have an established record working with Western suppliers and experience in arranging regular supplies of food products. Western companies that strive to supply directly, circumventing Ukrainian mediators, often sustain losses due to lack of local market knowledge. A large domestic import company is usually better adjusted to local conditions, with established trade ties and contacts in state structures. Ukraine remains a country where personal contacts play an important role in business.
- Should an exporting company decide to open a representative office, it should be located in Kyiv, where government authorities are concentrated, or in other large cities.
- Ukrainian import duty rates for food products are very uneven. Import duties for unprocessed goods and goods in large packages are often zero. Often these commodities require only minimal processing (frying, adding salt, and packaging for retail trade). Duties for packaged and ready for sale products are quite high. Many companies test the market with finished products, and then look to process and package locally if the product is a success. This way they manage to reduce custom clearance costs. Many importers package tea, muesli, chocolates, chips, roast nuts and coffee beans in Ukraine. Packaging or production is often conducted in Russia or other Commonwealth of Independent States (CIS) countries. The commodity can be imported from these countries under Free Trade Agreements (FTA). FTAs are in place for 11 CIS countries and under the negotiation with EU, Turkey and Canada. However, a potential importer should weight transportation costs.

B. Market Structure

The Food Ingredients Distribution Chart summarizes all of the above. The majority of sales go through the second channel, or through a Ukrainian distributor. FAS/Kyiv is unaware of any direct sales of U.S. products to restaurant chains or independent establishments, although sales of high-quality U.S. beef to Ukrainian steak restaurants were recorded in the past.

It is strongly advised that all U.S. companies consider legal counsel before and while doing business in Ukraine. Ukrainian laws and regulations are vague and open to interpretation. U.S. businesspersons are advised that partnership with a Ukrainian company is a challenge that is beyond the control of the U.S. partner and their legal advisors.

HRI Ingredients Distribution



C. Sub-Sector Profiles

Almost all Ukrainian HRI sector companies are independent entities privatized during the first Ukrainian privatization campaign in 1994 through 1998. This includes restaurants of all types, coffee shops, casinos, bars, clubs, etc. Needless to say, such a large HRI sector is composed of many different types of businesses. Meals provided at work through company-based canteens and cafeterias are often considered a part of the employee's compensation package (or social package). These facilities often operate as an auxiliary enterprise (often at a loss for the parental company, or with zero profit). Over time this sector is expected to shrink substantially. The state continues to control most institutional organizations such as hospitals, schools, railways and prisons. Privatization of food service in these organizations is not expected and will remain unchanged for the foreseeable future. Access to this sector is possible only through participation in open tenders.

Major Ukrainian HRI Companies and Chains*

Company Name	Outlet Name, Type and Number of Outlets	Location	Purchasing Agent
Fast Food Systems (FFS)	Chelentano Pizza - 72 Kartopliana Hata - 27 Café Punkt- 2 Yuppie - 3	Nationwide	Own Distribution Center for franchisees
McDonalds Ukraine Inc.	McDonalds - 57	Nationwide	Direct Importer (does not work with franchisees in Ukraine)
Royal Card	Over 60 (Virtual Franchising Network) + Catering Service	Nationwide + 5 restaurants in New York (USA)	Direct, Own Distribution Center
World Map	20 (Virtual Franchising Network) + Crystal Catering Service	Retail and HRI	Direct, Own Distribution Center
Eurohata	Fast food restaurants - 11	Kyiv and Zaporizhia	N/A
Mack Smack Ukraine	Mack Smack Pizzeria -12 Mr. Snack - 16	Nationwide	Direct Importer
Pechena Kartoplia Ltd	Pechena Cartoplia 40	Nationwide	Direct, Own Distribution Center for franchisees
Omex Inc.	Two gees -12	Nationwide	Direct, Own Distribution Center
XXI Century	Shvydko - 11	Kyiv	Direct Importer
Puzata Hata	Puzata Hata - 4	Kyiv	Works with Importers
Taste Factory	20 (Virtual Franchising Network) -5	Kyiv	Works with Importers

Rosinter Ukraine	Restaurants, Pizzerias -4	Kyiv	N/a
Carte Blanche	Upscale Restaurants (Virtual Franchising Network) -5	Kyiv	N/a
Kraft Foods Inc	Jacobs Coffee Shop - 5	Nationwide	Direct, Own Distribution Center
Nestle Ukraine	Nestle Coffee Shop - 6	Kyiv	Direct, Own Distribution Center
JV Galka	Galka Coffee Shop - 6	Western Ukraine	Direct, Own Distribution Center
Love and Hunger (former Eric's Family)	Bars, Clubs and Restaurants - 8	Kyiv	Direct, Own Distribution Center
Coffee House	Coffee House - 10	Kyiv	Direct, Own Distribution Center
Coffee Time	Coffee Time - 5	Kyiv	Direct, Own Distribution Center
Trali-Vali	Trali-Vali -3	Kyiv	Own Distribution Center

Source: FAS Kyiv Estimate;

* Some information can be outdated as chains slowly update their websites

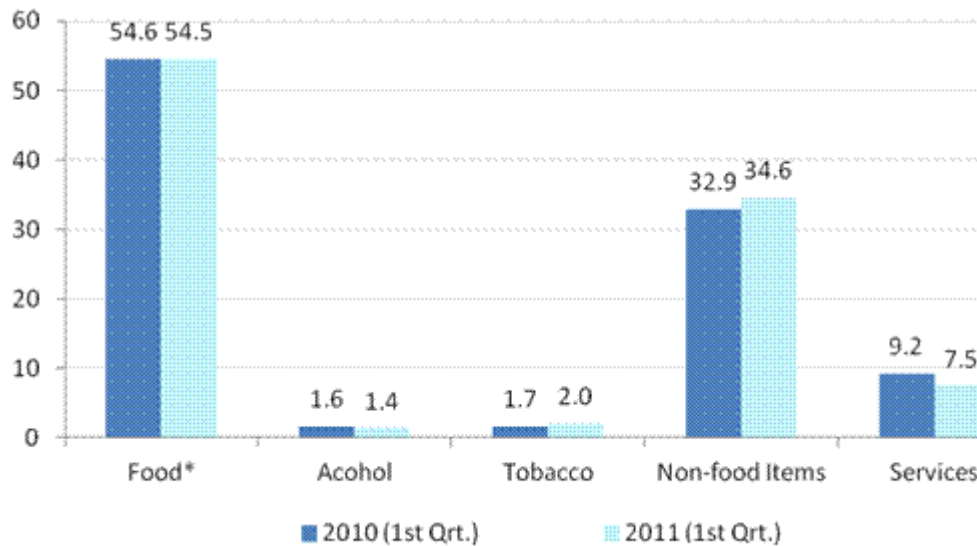
* Estimated sales are unavailable for all chains

Section III. Competition

More than 95 percent of all food products consumed in Ukraine are produced domestically. Current domestic production and consumption of agricultural and food products in Ukraine is still only half the level recorded during the last years of the Soviet era. The seafood, fruits and vegetables, and beverage sectors have developed very quickly over the past five years.

Production of beef and milk is on the decline. According to the World Bank Country Classification, Ukraine belongs in the group of low-income countries. The average Ukrainian family continues to spend a significant share of their income (53-58 percent) on purchasing food products, however over time this share is slowly decreasing. In 2011, the share of food product expenditures in the Consumer Price Index consumption basket reached almost 55 percent.

Ukrainian Households Income Distribution (in percent)



* Including Eating Out

Source: State Statistics Committee of Ukraine

Products from the European Union are the main competitors for U.S. products. CIS countries cannot compete with European and U.S. producers in high value added and processed products, but are quite successful in supplying cheap food products. Currently, over 30 percent of products (both processed and raw materials) are imported from the EU, and almost 19 percent from the CIS. Germany, Netherlands, France and Italy are the main suppliers of food ingredients to Ukraine. As consumer preferences shift to more expensive products, more opportunities will develop for U.S. and European companies at the expense of CIS products. Competitive advantages are not fixed and change over time when local production recovers or the price situation changes. One of the notable examples is the loss of Ukrainian market by U.S. poultry producers, who used to be the largest foreign supplier from early 2000's to 2010.

Competitive Situation in the Ukrainian Food Ingredients Market

Product Category	Major Supply Sources*	Strength of Key Supplying Countries	Advantages and Disadvantages of Local Suppliers
Pork Net Imports: 113 ths. tons US 7 ths. tons	Brazil 35% Poland 29% Germany 15%	Much lower prices, stable quality	Highly inefficient pork production in private households and in majority of industrial farms; Some production rebound in 2006 based on renewed technologies.
Beef Net Imports: 2 ths. tons US – No Supplies	Brazil 70%	Much lower prices, stable quality	Highly inefficient beef production in private households and on industrial farms, lack of beef cattle and lack of high-quality beef
Fish and Seafood Net Imports: 468 ths. tons	Norway 34% Estonia 8% Iceland 10%	Norway supplies a wide range of products and secures regular deliveries. Norwegian exporters use state	Outdated cold storage facilities and fleet, outmoded processing facilities, problems with securing quotas for fishing in international waters

US 17 ths. tons		promotion programs	
Fresh vegetables Net Imports: 20 ths. tons US 0. ths. Tons	Netherlands 29% Spain 27% Poland 12%	High stable quality of vegetables produced in Western European countries, low prices for the products originated from the CIS states	A lot of people grow vegetables on their household plots; Bigger farms lack modern storage and processing facilities; stable supplies of the produce to the retail trade networks are complicated
Frozen vegetables Net Imports: 5 ths. tons US 0 ths. tons	Poland 71% Hungary 20%	Polish companies dominate on the market due to high quality, recognition of trademarks and distribution system	Inefficient production; growing demand in large cities
Snack food Net Imports: 50 ths. tons US 1 ths. tons	Poland 71% Russia 9%	Countries of South America, Spain, Georgia, and Azerbaijan supply citrus fruits at right price/quality ratio	Informal trade from Poland and the CIS states as well as lack of storage facilities; low cost of local production
Tree nuts (excluding peanuts) Net Imports: 7 ths. tons US 1 ths. tons	Turkey 19% Iran 18% USA 15%	Turkey mainly supplies hazelnut and pistachios at low prices, Azerbaijan – hazelnut, and the USA - almonds	Lack of large-scale industrial production of nuts; Intensively developing confectionery industry
Fruit and vegetables juices and concentrates Net Imports: 41 ths. tons US 112 tons	Brazil 24% Netherlands 17% Moldova 12%	Western countries supply products of very high quality. Russian products are of low price and good quality	Local production of apple concentrate, tomato paste, and berries partially satisfy domestic demand; high dependence on imported concentrates; High competition with ready-made Russian juice; growing demand for juices, healthy drink image of juice
Wine and Beer Net Imports: 59 million liters US 33 ths. liters	Moldova 34% Russia 22% Georgia 10%	CIS origin wine is reasonably priced and has traditional brands. Western Wines are occupy the upper segment and perceived as high quality ones	Steady demand for locally produced wines; production experience; broad assortment and low prices; poor positioning of high quality vintage wines; traditional preference to sweetened wines
Pet food Net Imports: 133 ths. tons US 6 ths. tons	Poland 28% Hungary 21% Russia 14%	Exports of well-known pet food trademarks from Russia dominate in low segment. U.S. brands are perceived as high quality ones	Traditionally high number of home pets, large market potential; low demand for industrially produced pet food

Sources: State Statistics Committee of Ukraine, expert estimates

*Based on 2010 data

SECTION IV. BEST PRODUCT PROSPECTS

A. Best Product Prospects with Good Sales Potential

The following import sectors are the most developed and most likely to grow in the short term:

- The seafood products market is developing very rapidly. Record high U.S. exports were achieved beginning in 2004 and the market continues to grow at a significant rate. Insignificant domestic production of low quality products will continue to open the door to imports. The annual consumption of fish and fish products in Ukraine reached 17,200 MT in 2010 with a possible growth to 20,000 MT by 2011.
- Beef and pork offal for further processing (predominately beef liver and tongs) looks very promising. Exports of beef from the U.S. were resumed in 2007 after removal of veterinary technical barriers to trade and the signing of a protocol in March 2006. Upon Ukraine's accession to the WTO, other meat products will be competitive and demanded in the Ukrainian market
- Premium beef products (both chilled and frozen) can constitute a separate market segment in Ukrainian HRI. Many upscale restaurants and hotels may become buyers of US beef in the near future
- Almond imports are growing due to the booming Ukrainian confectionary industry. The market for almonds is expected to remain stable in 2011 although it will continue to be sizable and attractive to American businesses.

SECTION V. POST CONTACT AND FURTHER INFORMATION

Should you have any questions about this report or need assistance, please do not hesitate to contact the Agricultural Affairs Office in Kyiv at the following Address:

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Kyiv, 01901

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Homepage: <http://ukraine.usembassy.gov/fas.html>

A list of importers is available from FAS/Kyiv to exporters of U.S. food products. The Country Commercial Guide, prepared by U.S. Foreign Commercial Service is available at http://www.buyusainfo.net/body2.cfm?dbf=ccg1&search_type2=int&country=Ukraine&logic=and&loadnav=n

For the most recent "[Exporter Guide](#)" or product briefs please visit USDA's Foreign Agricultural Service [official website](#) and [reporting page](#).

Attachments

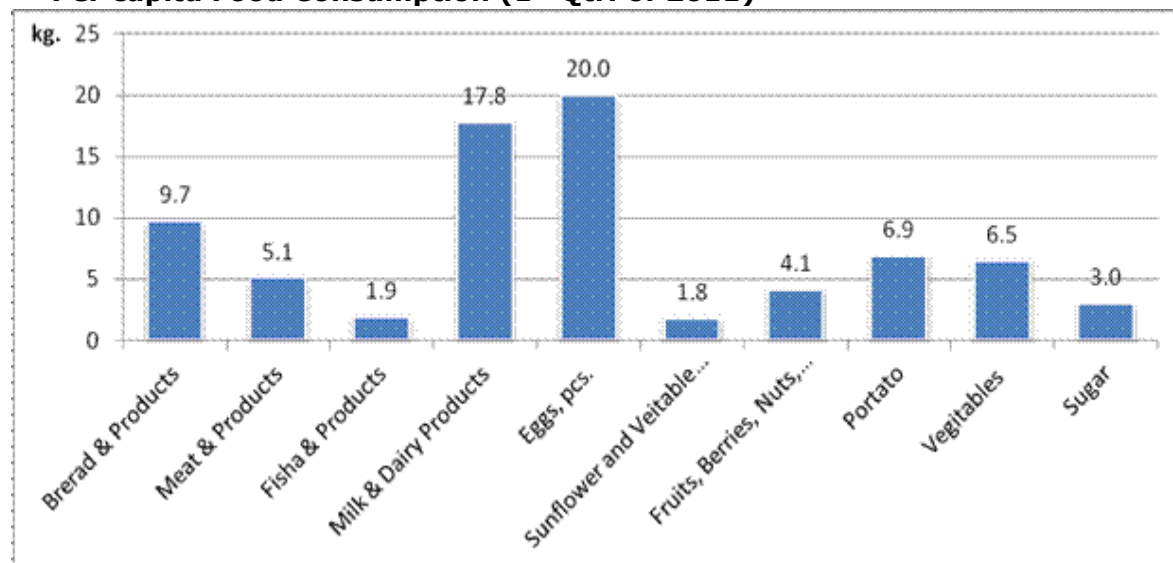
Table1. Ukraine's Selected Macroeconomic Indicators

Indicator Name	2006	2007	2008	2009	2010
Imports of goods and services (BoP, current million US\$)	53307	72153	99962	56206	73239
Goods imports (BoP, current million US\$)	44143	60412	83808	44701	60579
Service imports (BoP, current million US\$)	9164	11741	16154	11505	12660
Foreign direct investment, net outflows (% of GDP)	-0.12	0.47	0.56	0.14	0.53
Net income (BoP, current million US\$)	-1722	-659	-1540	-2440	-2009
Net trade in goods and services (BoP, current million US\$)	-3068	-8152	-14350	-1953	-3984
Net trade in goods (BoP, current million US\$)	-5194	-10572	-16091	-4307	-8388
Goods exports (BoP, current million US\$)	38949	49840	67717	40394	52191
Service exports (BoP, current million US\$)	11290	14161	17895	13859	17064

Deposit interest rate (%)	7.6	8.1	9.9	13.8	10.6
Lending interest rate (%)	15.2	13.9	17.5	20.9	15.9
Cost to import (US\$ per container)	1495	1495	1680	1680	1580
Documents to import (number)	8	8	8	8	8
Time to import (days)	39	39	36	36	36
Time required to enforce a contract (days)	354	354	354	345	345
Procedures to enforce a contract (number)	30	30	30	30	30
Agriculture, value added (% of GDP)	8.7	7.5	7.9	8.3	8.2
GDP (current million US\$)	107753	142719	179992	117228	137929
GDP per capita (current US\$)	2303.0	3068.6	3891.0	2545.5	3006.9
Official exchange rate (LCU per US\$, period average)	5.05	5.05	5.27	7.79	7.94
Unemployment, total (% of total labor force)	6.8	6.4	6.4	8.8	
Population, total million	46.8	46.5	46.3	46.1	45.9
Rural population million	15.0	14.9	14.8	14.7	14.6
Urban population million	31.8	31.6	31.4	31.3	31.2
International tourism, receipts (current million US\$)	4018	5320	6722	4349	4696
Agricultural raw materials imports (% of merchandise imports)	1.2	1.0	0.9	1.1	1.1
Food imports (% of merchandise imports)	6.8	6.5	7.4	10.5	9.2
Agricultural raw materials exports (% of merchandise exports)	1.4	1.3	0.9	1.2	1.1
Food exports (% of merchandise exports)	12.0	12.6	16.0	23.8	19.2

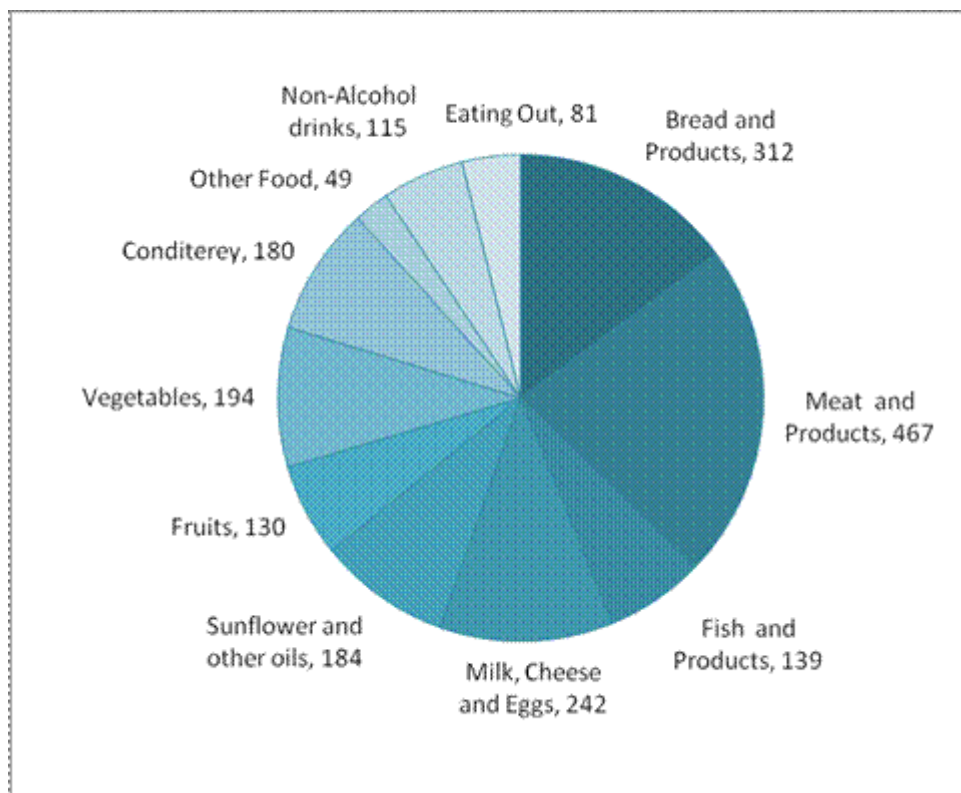
Source: The World Bank

Per capita Food Consumption (1st Qtr. of 2011)



Source: State Statistics Committee of Ukraine

The 2010 Annual Foodstuffs Consumption by an Average Household* of 2,59 person (in U.S. \$) Total - \$2,092



Source: Households Income Survey, State Statistics Committee of Ukraine;

*Total number of households in Ukraine 17,050.3 t